

**GOVERNMENT OF ANDHRA PRADESH  
ABSTRACT**

YSR District –Proposal for cancellation of the orders issued in G.O.Ms.No.785, Revenue (Assn.IV) Dept., dt.8-6-2007 alienating the Government land to an extent of Ac.10,760.66 in Vemaguntapalli, Kothaguntapalli, P.Bommepalli and Thugutlapalli villages of Jammalamadugu Mandal, YSR District in favour of M/s.Brahmani Industries Limited for setting up of a Green Field Integrated Steel Plant on payment of market value of Rs.18,000/- per acre on the strength of termination of the MOU vide G.O.Ms.No.99, dt.31-05-2012 by the Industries and Commerce (IP) Department, as the company has totally failed to fulfill its commitment as per MOU - Orders - Issued.

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**REVENUE (ASSN.IV.I) DEPARTMENT**

**G.O.Ms.No.333**

**Dated: 20th June 2013**

Read the following:-

1. MOU between Govt of AP and M/s Brahmani Industries Ltd., dt.21.05.2007.
2. G.O.Ms.No.785, Revenue (Assn.IV) Department, dt: 08.06.2007.
3. G.O.Rt .No.477, Ind & Comm (IP) Dept., dated. 2-8-2007.
4. Govt Memo No. 15340/IP/A2/2010, dated. 6-4-2011 and dt. 25-5-2011.
5. From Bramhani Industries Ltd, Letter dt.04.05.2011 and dt. 9-6-2011.
6. Govt Memo No. 45785/Assn.IV (1)/2011-1 dated. 2-12-2011.
7. From District Collector,YSR District Letter Ref. No.E1/3777/2011, dt.24.02.2012 addressed to CCLA, Hyderabad.
8. From the Spl CS & CCLA, Hyderabad Letter No. B3/1741/11 dated.10-4-2012.
9. G.O.Ms.No. 99, Ind & Comm (IP) Department, dated. 31-5-2012.

**ORDER:**

The Vice Chairman & Managing Director, M/s.Brahmani Industries Limited in his Letter dt.01-05-2007 have made a representation before Government in Industries and Commerce Department that their company desires to set up an Integrated Steel Plant and requested for sanction of certain concessions / benefits.

2. In the reference 1<sup>st</sup> read above, the Government in Industries and Commerce (IP) Department have entered into MOU with M/s Brahmani Industries Ltd., for setting up a Green Field Integrated Steel Plan of 2 million ton capacity per annum with its full production capacity of 10 million tones by the year 2017 with an objective of providing employment to 10,000 people directly creating 1,00,000 jobs indirectly by the time of achieving its full capacity of 10 million tones. In this MOU one of the conditions is to allot about 8000 acres of land, identified in Jammalamadugu (M), Kadapa District for setting up of the Integrated Steel Plant on usual terms and conditions.

3. Accordingly, the then Collector, Kadapa District had furnished a proposal to the Government through Special Chief Secretary & Chief Commissioner of Land Administration, A.P. Hyderabad for alienating the Government land to an extent of Ac.10,760-66 at Vemaguntapalli (V) etc., of Jammalamadugu (M), Kadapa District in favour of M/s.Brahmini Industries Limited for setting up of a Green Field Integrated Steel Plant on payment of market value @ Rs.18,000/- per acre. The Chief Commissioner of Land Administration, A.P Hyderabad had not placed the proposal of the Collector before the Empowered Committee, however, forwarded it to the Government for consideration.

4. Accordingly, Government in the reference 2<sup>nd</sup> read above have issued orders alienating the Government land to an extent of Ac.10,760.66 cts in Vemaguntapalli, Kothaguntapalli, P.Bommepalli and Thugutlapalli villages of Jammalamadugu Mandal, YSR District in favour of M/s.Brahmani Industries Limited for setting up a Green Field Integrated Steel Plant on payment of market value @ Rs.18,000/- per acre, subject to the usual terms and conditions as laid down in BSO 24.

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5. In the reference 3<sup>rd</sup> read above, Government in Industries Department have issued orders ratifying the action of having entered / signed an MOU with M/s Brahmani Industries Ltd for establishment of a steel plant in Jammalamadugu (M), Kadapa and sanctioned incentives.
6. In the meanwhile, Government in Industries & Commerce Department have noticed that the obligation set out on the part of M/s.Brahmani Industries Limited to complete the 1<sup>st</sup> phase of the project with a production capacity of 2 million tons of steel stipulated and to be completed by 2009 is not fulfilled even after lapse of period of more than 1 ½ year. The company has not established the 1<sup>st</sup> phase of the integrated steel plant and works on the project like site leveling, construction of boundary wall, water supply, power supply placement of plant and equipment supply orders etc., of the 1<sup>st</sup> phase were not yet finalized / completed and the company has failed the obligations set out on its part. Moreover, the Company in their letter dt.01.03.2011, have informed that since the parent company i.e., Obulapuram Mining Company (OMC) has stopped operations, M/s.Brahmani Industries Limited steel plants works are also stopped.
7. Government after examination of the matter, the Industries & Commerce Department have issued a show cause notice in the reference 4<sup>th</sup> read above, to the company as to why the Government should not cancel the orders issued in G.O.Ms.No.785, Revenue (Assn.IV) Dept., dt.8-6-2007 for their non compliance on the implementation of the project.
8. In reply to the show cause notice, M/s.Brahmani Industries Limited have submitted their explanation to Industries & Commerce Department on 09-06-2011. The Industries & Commerce Department have referred the matter to this Department for taking further action.
9. In the reference 6<sup>th</sup> read above, specific remarks of the Collector, YSR District and the Special Chief Secretary & Chief Commissioner of Land Administration, A.P Hyderabad have been called for. In reply the Collector, YSR District in the reference 6<sup>th</sup> read above, has opined that, M/s Brahmani Industries Ltd., has failed to fulfill its obligation and recommended to take a view.
10. In the reference 8<sup>th</sup> read above, the Special Chief Secretary & Chief Commissioner of Land Administration, AP, Hyderabad has also recommended for cancellation of alienation orders, keeping in view the non-fulfillment of the obligations as listed in the MOU. As such, the Industries & Commerce Department has been requested to take further action in the matter as recommended by the Collector, YSR District and the Special Chief Secretary & Chief Commissioner of Land Administration, A.P. Hyderabad.
11. Accordingly, in the reference 9<sup>th</sup> read above, the Government in Industries and Commerce (IP) Department have terminated the MOU which was entered with M/s.Brahmani Industries Limited, dt.21-5-2007, whose validity expired on 20-5-2010 after completion of three years and cancelled the incentives, which were sanctioned in the reference 3<sup>rd</sup> read above, as the company has totally failed to fulfill its commitment as per MOU.
12. The Government, after careful examination, hereby cancel the orders issued in G.O.Ms.No.785, Revenue (Assn.IV) Dept., dt:08-06-2007 alienating the Government land to an extent of Ac.10,760.66 cts in Vemaguntapalli, Kothaguntapalli, P.Bommepalli and Thugutlapalli villages of Jammalamadugu Mandal, YSR District in favour of M/s.Brahmani Industries Limited for setting up of a Green Field Integrated Steel Plant on payment of market value of Rs.18,000/- per acre, in exercise of the powers conferred under BSO-24 and on the strength of termination of the MOU in the G.O. 9<sup>th</sup> read above, as the company has totally failed to fulfill its commitment as per MOU.

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13. The Special Chief Secretary & Chief Commissioner of Land Administration, A.P. Hyderabad and the Collector, YSR District, shall take further necessary action in the matter.

**(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)**

**B.R.MEENA**

**PRINCIPAL SECRETARY TO GOVERNMENT**

To,

The Special Chief Secretary &  
Chief Commissioner of Land Administration, A.P. Hyderabad.

The District Collector, YSR District.

The Managing Director, M/s Brahmani Industries Ltd, YSR District Kadapa. (through  
Collector YSR District.)

The Commissioner of Industries, Hyd.

Copy to :-

The Industries and Commerce Dept.

The P.S. to Minister for Revenue.

The P.S. to Minister for Major Industries.

The Prl. Secretary to Chief Minister.

The P.S. to Prl. Secretary (Rev)

The General Administration (Cabinet) Department.

(With reference to U.O.No.91/2013,Dated:10.06.2013)

SF/SC.

//FORWARDED : : BY ORDER//

SECTION OFFICER